

DEPARTMENT OF STATE

WASHINGTON

April 21, 2004

Excellency:

I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"Excellency,

"I have the honor to refer to the recent discussions between the representatives of the Government of Japan and the Government of the United States of America concerning the terms and conditions for cooperation between the Ministry of Education, Culture, Sports, Science and Technology of Japan (hereinafter referred to as "MEXT") and the Department of Energy of the United States of America (hereinafter referred to as "DOE"), and between the Agency of Natural Resources and Energy of Japan (hereinafter referred to as "ANRE") and DOE, in the field of research and development of innovative nuclear energy technologies.

"In consideration of the continuing mutually beneficial cooperation between the two Governments for the peaceful uses of nuclear energy under the Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Peaceful Uses of Nuclear Energy, signed on November 4, 1987, at Tokyo (hereinafter referred to as "the Agreement"), I have the further honor to propose on behalf of the Government of Japan as follows:

His Excellency

Ryozo Kato,

Ambassador of Japan.

DIPLOMATIC NOTE

"1. With respect to the provisions of sub-paragraph 1(a)(v) of Article 2 of the Agreement, the cooperation between MEXT and DOE and between ANRE and DOE in the field of research and development of innovative nuclear energy technologies (hereinafter referred to as "the Cooperation"), which will be conducted in accordance with the terms and conditions of the present arrangement, shall be deemed appropriate as cooperation between the two Governments under the Agreement.

"2. The Cooperation may take the following forms:

- (a) Joint research and development; meetings of various types; exchange of information; exchange of personnel; exchange of equipment or samples; and
- (b) Other forms as deemed appropriate by the two Governments.

"3. With a view to setting forth detailed terms and conditions for the Cooperation, MEXT and DOE, and ANRE and DOE, respectively, will conclude implementing arrangements, which shall include appropriate provisions for implementing the cooperative activities under the present arrangement, including provisions for protection of intellectual property rights and other rights of a proprietary nature created in the course of the Cooperation.

"4. The provisions of the present arrangement and the implementing arrangements referred to in paragraph 3 above shall be implemented subject to the availability of appropriated funds and subject to the Agreement and the applicable laws and regulations in force in each country.

"5. MEXT and DOE, and ANRE and DOE, respectively, will consult among themselves in respect of any matter that may arise from or in connection with the Cooperation. If the matter cannot be resolved through such consultations, consultations between the two Governments will be held through diplomatic channels with a view to finding a mutually acceptable solution.

"6. The present arrangement shall remain in force so long as the Agreement is in force. However, either Government may at any time give written notice to the other Government of its intention to terminate the present arrangement, in which case the present arrangement shall be terminated three months after such notice has been given. The present arrangement may be amended by written agreement of the two Governments.

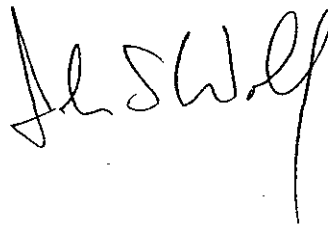
"I have the further honor to propose that this Note and Your Excellency's Note in reply confirming the foregoing on behalf of the Government of the United States of America shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply.

"Accept, Excellency, the renewed assurances of my highest consideration."

I have the further honor to confirm the foregoing on behalf of the Government of the United States of America and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments, which shall enter into force on the date of this Note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

A handwritten signature in dark ink, appearing to read "J. S. Wolf". The signature is written in a cursive style with a long, vertical stroke extending downwards from the end.

**EMBASSY OF JAPAN
WASHINGTON, D.C.**

April 21, 2004

(Translation)

Excellency,

I have the honor to refer to the recent discussions between the representatives of the Government of Japan and the Government of the United States of America concerning the terms and conditions for cooperation between the Ministry of Education, Culture, Sports, Science and Technology of Japan (hereinafter referred to as "MEXT") and the Department of Energy of the United States of America (hereinafter referred to as "DOE"), and between the Agency of Natural Resources and Energy of Japan (hereinafter referred to as "ANRE") and DOE, in the field of research and development of innovative nuclear energy technologies.

In consideration of the continuing mutually beneficial cooperation between the two Governments for the peaceful uses of nuclear energy under the Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Peaceful Uses of Nuclear Energy, signed on November 4, 1987, at Tokyo (hereinafter referred to as "the Agreement"), I have the further honor to propose on behalf of the Government of Japan as follows:

1. With respect to the provisions of sub-paragraph 1(a)(v) of Article 2 of the Agreement, the cooperation between MEXT and DOE and between ANRE and DOE in the field of research and development of innovative nuclear energy technologies (hereinafter referred to as "the Cooperation"), which will be conducted in accordance with the terms and conditions of the present arrangement, shall be deemed appropriate as cooperation between the two Governments under the Agreement.

2. The Cooperation may take the following forms:

(a) Joint research and development; meetings of various types; exchange of information; exchange of personnel; exchange of equipment or samples; and

(b) Other forms as deemed appropriate by the two Governments.

3. With a view to setting forth detailed terms and conditions for the Cooperation, MEXT and DOE, and ANRE and DOE, respectively, will conclude implementing arrangements, which shall include appropriate provisions for implementing the cooperative activities under the present arrangement, including provisions for protection of intellectual property rights and other rights of a proprietary nature created in the course of the Cooperation.

His Excellency
Colin L. Powell
The Secretary of State

4. The provisions of the present arrangement and the implementing arrangements referred to in paragraph 3 above shall be implemented subject to the availability of appropriated funds and subject to the Agreement and the applicable laws and regulations in force in each country.

5. MEXT and DOE, and ANRE and DOE, respectively, will consult among themselves in respect of any matter that may arise from or in connection with the Cooperation. If the matter cannot be resolved through such consultations, consultations between the two Governments will be held through diplomatic channels with a view to finding a mutually acceptable solution.

6. The present arrangement shall remain in force so long as the Agreement is in force. However, either Government may at any time give written notice to the other Government of its intention to terminate the present arrangement, in which case the present arrangement shall be terminated three months after such notice has been given. The present arrangement may be amended by written agreement of the two Governments.

I have the further honor to propose that this Note and Your Excellency's Note in reply confirming the foregoing on behalf of the Government of the United States of America shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Ambassador Extraordinary
and Plenipotentiary of Japan,

Keiichi Katakami